

From: Mayer, Jerrold H

Sent: Wednesday, September 04, 2013 9:48 AM

To: 'SF-HOUSING-COUNSELING-L@hudlist.hud.gov'

Subject: Attention HECM Counselors: Counseling of Potential Reverse Mortgage Counseling Clients' Non-Borrower Spouse, & Housing Counseling Industry Conference Call on Changes to the HECM Program, & Two New FHA HECM Mortgagee Letters

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Counseling of Potential Reverse Mortgage Counseling Clients' Non-Borrower Spouse:

This message is a reminder to all HUD approved housing counseling agencies that provide or will be providing reverse mortgage counseling which may involve a non-borrower spouse. Mortgagee letter 2011-31, provided guidance that a "non-borrowing" spouse should receive counseling and should execute the counseling certificate as an acknowledgement of their participation in the counseling session.

In situations where there is the potential that one of the spouses will be taken off title or for any other reason will not sign the HECM note, counselors are strongly encouraged to thoroughly explain the implications of removing, or not including, the non-borrower spouse on the HECM mortgage note and deed. It is important that both clients, but especially the non-borrower spouse, know and understand all the future repercussions and consequences of not including both spouses on the title to the HECM loan. One main concern for the non-borrower spouse is when the borrowing spouse passes away and the loan becomes due and payable. More often than not, the surviving non-borrower spouse, who is not on the deed, may not be able to pay the balance due or meet the criteria to qualify for a HECM of their own on the property in order to remain in the property. During counseling, all parties must be made aware that the HECM cannot be assumed by the non-borrower spouse. Counseling sessions involving confirmed or potential non-borrower spouse situations must include a thorough discussion of these financial issues.

Counselors should not hesitate to inquire whether or not the clients have been encouraged by anyone regarding the removal of a spouse from the deed in order to receive a higher loan amount. HUD is concerned that this practice may be encouraged inappropriately. Upon questioning, if a counselor believes that this situation has occurred, they immediately should convey this information to housing.counseling@hud.gov The e-mail referral subject line should be titled: "Non-

borrower spouse". The counselor should ask additional questions of the non-borrower spouse if necessary.

It is also recommended that the counselor get a signed, individual written statement from the non-borrower spouse acknowledging they understand that he or she may have to leave the property upon the death of, or permit change of legal address by the borrowing spouse. Currently HUD does not have a specific format for such a disclosure, but will be developing one in the future. At this point, agencies are encouraged to develop their own format and begin use as of the date of this message. Agencies should make sure they retain a copy in their files. Please contact: housing.counseling@hud.gov if you have any questions.

AND

Housing Counseling Industry Conference Call on Changes to the HECM Program:

HUD's Office of Housing Counseling will host an industry conference call (general question and answer session) where HUD staff will be available to address questions related to the policy content and implementation of these changes. HUD highly recommends that HECM counselors attend this conference call.

Conference Call Title: Changes to the Home Equity Conversion Mortgage Program
Date/Time: Tuesday, September 10, 2013 at 3:00P Eastern time
Teleconference Number: (800) 707-9573
Participant Access Code: 302103

Special Instructions: There are a limited number of conference lines. Therefore, where multiple participants are co-located, you are encouraged to call from a single phone line, such as one located in a conference room. If we determine that a number of callers were unable to access the call because of limited lines, we will offer a second session. Please begin dialing into the teleconference meeting 10 minutes early as the call will begin promptly at 3:00 PM Eastern.

To read all FHA Mortgagee Letters please
visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

To read all FHA Housing Notices please
visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg

Housing Counselors should direct any questions via email to:
housing.counseling@hud.gov

AND

Two New FHA HECM Mortgagee Letters:

As part of an ongoing effort to strengthen the Mutual Mortgage Insurance Fund and preserve the financial soundness of the HECM program, the Federal Housing Administration (FHA) announces new HECM program policies. Today, two Mortgagee Letters were published; a Mortgagee Letter announcing changes to the HECM program and a Mortgagee Letter announcing the HECM Financial Assessment and Property Charge Guide as described below.

1. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000
ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER
DATE: September 3, 2013
TO: ALL FHA-APPROVED MORTGAGEES
MORTGAGEE LETTER 2013-27
Subject: Changes to the Home Equity Conversion Mortgage Program Requirements

Purpose This Mortgagee Letter implements several changes to the Home Equity Conversion Mortgage (HECM) program that will strengthen the FHA Mutual Mortgage Insurance Fund (MMIF or Fund), thereby protecting the viability of the HECM program. Mortgagee Letter 2013-27, Changes to the Home Equity Conversion Mortgage Program Requirements. The policies in this Mortgagee Letter include:

- Revised mortgage insurance premiums and principal limit factors;
- Restrictions on the amount of HECM funds that can be disbursed at closing and over the first twelve months following loan closing;
- Introduction of the new single distribution lump sum payment option;
- A required Financial Assessment for all HECM mortgagors focused on evaluating willingness and capacity to meet their financial obligations and the terms of the HECM;
- Required set aside of a portion of the loan proceeds or withhold of a portion of the Line of Credit or Term/Tenure payments for the payment of property taxes and insurance.

AND

2. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000
ASSISTANT SECRETARY FOR HOUSING
FEDERAL HOUSING COMMISSIONER
Date: September 3, 2013
To: All Approved Mortgagees
Mortgagee Letter 2013-28

Subject: Home Equity Conversion Mortgage (HECM) Financial Assessment and Property Charge Guide

Purpose This Mortgagee Letter and the attached HECM Financial Assessment and Property Charge Guide provide parameters for the required financial assessment that mortgagees must complete prior to approval of an FHA insured HECM as announced in Mortgagee Letter 2013-27.

To read all FHA Mortgagee Letters please visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/letters/mortgagee

Bulk subscriptions:

Some housing counselors have asked, "How do I sign up my entire agency staff for housing counseling listserv updates?" It is easy... Just list your staff email addresses like this:

aaa@xyz.com

bbb@xyz.com

ccc@xyz.com

You can send in one email address or your entire agency. Email your list to: jerrold.h.mayer@hud.gov

If you have a housing counseling industry friend who you want to subscribe to this listserv, there are 3 other ways to sign up: 1. send them this link: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/ohc_listserv they can sign up for the listserv there; or 2: forward them this email; or 3: Visit: <http://www.usa.gov> and subscribe at: <http://apps.gsa.gov/FirstGovCommonSubscriptionService.php> To unsubscribe - go to: <http://portal.hud.gov/portal/page/portal/HUD/subscribe/maillinglist> and click on "Housing Counseling" and follow the unsubscribe instructions on that page.

Some Helpful Links for Housing Counselors:

Technical support for Housing Counselors is available via email at: housing.counseling@hud.gov

HUD Housing Counseling webpage: www.hud.gov/housingcounseling

“The Bridge” is the HUD Office of Housing Counseling Newsletter; read archived issues on-line at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/ohc_bridge

Housing Counseling Listserv archive:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hcc/ohc_msg

Events & Training Calendar:

http://portal.hud.gov/hudportal/HUD?mode=disppage&id=OHC_TRAINING

Contracting Opportunities:

http://portal.hud.gov/portal/page/portal/HUD/program_offices/cpo

Career Opportunities: <http://www.usajobs.gov>

Grant Opportunities:

[http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/grants/fund savail](http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/grants/fund_savail)

Presidentially Declared Disaster Areas:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/nsc/disaster

Foreclosure Assistance:

http://portal.hud.gov/hudportal/HUD?src=/i_want_to/talk_to_a_housing_counselor

Making Home Affordable: <http://www.makinghomeaffordable.gov/pages/default.aspx>

Freddie Mac Housing Professionals Resource

Center: <http://www.freddiemac.com/corporate/housingpros/>

This list will often provide training opportunities and event announcements for non-profit and local government HUD Housing Counseling partners. HUD does not endorse the organizations sponsoring linked websites, and we do not endorse the views they express or the products/services they or their community/business partners offer. For more information on HUD's web policies please visit:

<http://www.hud.gov/assist/webpolicies.cfm>

Thank you!!!!